

Q # 01.

Differentiate between Washington consensus and Beijing Consensus. Is Beijing Consensus a challenge to Washington consensus?

ANSWER:

1. INTRODUCTION

Washington consensus is a policy document adhered to mostly by the Western-bloc or, more generally, the First World Countries. It represents a pure culmination of liberal economic tradition. Post-cold war era witnessed bouts of optimism and victory of liberalism against a socialist ideology. With the US left at the helm in a unipolar world order, a consensus as a blueprint for economic development of other countries was hammered out which upheld Western values and ideology. At the turn of a new millennium, a new policy document sought to challenge the Western-centric, "Washington-knows-best" sort of consensus. The new consensus, namely Beijing consensus, countered monopoly of the former and envisaged a new economic order. At present, in the context of the United States and the People's Republic of China (PRC) representing two poles in the global readjustment of center of gravity, it is vital to compare the two visions and evaluate whether Beijing Consensus will displace, or worst, replace - Washington Consensus.

2. DIFFERENCES BETWEEN THE TWO CONSENSUS

I. GDP or Quality of Life: what defines development metric?

Washington Consensus (WC): Washington Consensus as given

by John Williamson, envisages Gross Domestic Product (GDP) as a sole parameter defining development of a state. In fact, GDP does not indicate a quality of life: higher GDP does not translate as a better standard of living. According to the United Nations Development Program, development "aims at the constant improvement of the well-being of the entire population and of all individuals." (The UN Declaration on the Right to Development)

Beijing Consensus (BC): Beijing Consensus views economic growth as a secondary measure. First priority of every economic agenda must be the citizens of the state. This mode of development could be seen in action when PRC lifted over 800 million people out of extreme poverty since the late 1970s. It has been the largest global reduction in inequality in modern history.

II. Universality 'vs' Localisation of Development Models

WC: It views liberal agendas as universally applicable. In this perspective more than anything else, hegemonic designs are manifest the most. Through what Ha-Joon Chang calls "Inholy Trinity" of IMF, WB and WTO, the US-led bloc is involved in enforcing its neo-liberal agenda. In this parlance, WC has more than advisory role: tyrannical, as it is.

BC: While Beijing is not averse to liberalism outright, it supports tailoring of policy as national context demands. Free-market is not means but it can be end-goal. Priority should be given to national resilience.

III. Right to Protect (RtoP) against Self-determination: Conflicting concepts of Sovereignty

WC: In a 2005 'World Summit,' it was acknowledged as desirable to formalize Right to Protect doctrine. According to RtoP, in a hierarchical three-tier regime, the host government's sovereignty can be breached if human rights violation exceed limits - provided that a permissive United Nations Security Resolution exists.

BC: China does not arrogate ^{to} itself unilateral power in its capacity of its being an economic and military giant. Rather, it regards sovereignty as sacrosanct, as reflected in the Beijing Consensus.

Good analysis

Good headings

I. Political Model of Governance: Democracy or Experimentation of Different Models

WC: Democracy is seen as a required condition for optimum economic growth. It is seen as facilitating market growth and build-up trust in the market economy. For example, the top 10 economic giants are mostly democracies. Also, Democracy, as propounded by the Washington Consensus, is seen as a tolerant and non-discriminatory mode of governance.

BC: Beijing Consensus, however, seeks to promote democracy only at the grass-roots ~~ties~~ of the governance. At the top of pyramid is ~~meritocracy~~ ruling or heading the government. In between the two-tiers is provincial government which can be experimented with.

v. Multiparty Landscape 'vs' A Single Party Rule

WC: Being staunch proponents of Democracy, founders of the Washington Consensus envisaged a multi-party democracy e.g. Democrats and Republicans in the US.

BC: They consider multiple parties as a hurdle to economic development and a consensual rule. Since there is a meritocracy rule, only a single supreme leader presides over the sole representative, national party.

vi. Neo-liberal Shocks or Incremental Changes?

WC: Western writers, at least at the time of laying down contours of the Washington Consensus, believed in no regulation yet viewed remedial measures of shocks as a necessity.

BC: They view shocks as synonymous with self-inflicted disaster. Rather, the Beijing Consensus advises gradual changes as remedial measure.

3. ~~BEIJING CONSENSUS: A CHALLENGE TO THE WASHINGTON CONSENSUS~~

I. ~~Defeats of the Washington Consensus~~

a. ~~1997 Asian Crisis~~

The first blow to the Washington Consensus was the 1997 Asian Crisis. In a domino effect, a

contagion of falling currency gripped East and Southeast Asian nations, starting with Thailand. When WC's recommended shocks were administered, it only worsened the crisis into a catastrophe.

b. 2008 Global Financial Crisis

Beijing Consensus gained currency in the wake of 2008 Financial Crunch. It began when Lehman Brothers filed for bankruptcy which sent recessionary waves across the globe. One of its main causes was the chief underpinning of the Washington Consensus: deregulation of economy at the head of laissez-faire doctrine.

II. Beijing Consensus offers acutely needed alternative to neo-liberalism driven governance

Countries heavily saddled with debts and faced with an inevitable liberalism, acutely need a new and fairer global level-playing field. Every third world country has knocked doors of IMF due to recessionary and inflationary pressures effecting a divide between the First and Third World economies.

The escape is offered by Beijing Consensus which seeks for a truly horizontal and non-discriminatory map of the globe.

III. Attractiveness of Beijing Consensus model due to its narrative of self-determination.

Beijing Consensus does not seek to impose its values and ideology; rather, it emphasizes localisation and

self-determination in choosing economic or political models of governance, in stark contrast of WC conditioning loans and aids on domestic policy reforms.

4. CONCLUSION:

The position adopted in this dis course can be summed up in the following way: there are a number of deep divisions between the two consensus not only on economic, but also political lines. Also, in the aftermath of 2008 Global Financial Crisis, Washington Consensus is in shreds but not completely ~~is~~ replaced, not even displaced, by the Beijing Consensus which still awaits the test of time, something the former has faced miserably at.

Good
Highlight imp jargons
Add flowcharts and references from books
Application of theories is a must